

MEMORANDUM FOR:

DCI

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You may wish to use
talking points for today's SIG-IEP
meeting during your discussion of
the pipeline tomorrow at Defense.

Date

16 Sep 82

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SIG-IEP Meeting on Pipeline SanctionsTalking Points for DCI

The SNIE, which is almost completed, ties directly into the policy issues being raised here by bringing together the major pieces of the overall picture of Western economic relations with the USSR, relations that Moscow has used to expand its military power.

The SNIE finds that:

- o The USSR will depend on exports of gas to Western Europe to avert a decline in hard currency earnings in the 1980s and possibly to increase these earnings in the 1990s.
- o That Soviet access to Western oil equipment and technology is important to the Soviets if they are to avoid a serious decline in oil exports, which currently bring in about one half of total Soviet hard currency earnings.
- o As many other studies have already shown, that imports of military-related goods and technology are important to Soviet military programs.

The SNIE also assesses the impact on the USSR of possible Western economic actions.

- o Concerning the Yamal pipeline, the horse has already left the barn, and nothing we can do will have much affect on the Soviets.

But there are actions we can take and the Europeans might accept that would have a significant effect. Namely:

- o Tightening COCOM controls.

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